

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 571
94TH GENERAL ASSEMBLY

Reported from the Committee on Agriculture, Conservation, Parks and Natural Resources, April 5, 2007, with recommendation that the Senate Committee Substitute do pass.

2288S.03C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 142.031, RSMo, and to enact in lieu thereof one new section relating to Missouri qualified biodiesel producers.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 142.031, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 142.031, to read as follows:

142.031. 1. As used in this section the following terms shall mean:

2 (1) "Biodiesel", fuel as defined in ASTM Standard D-6751 or its
3 subsequent standard specifications for biodiesel fuel (B100) blend stock for
4 distillate fuels;

5 (2) "Missouri qualified biodiesel producer", a facility that produces
6 biodiesel, is registered with the United States Environmental Protection Agency
7 according to the requirements of 40 CFR 79, and:

8 (a) Is at least fifty-one percent owned by agricultural producers who are
9 residents of this state and who are actively engaged in agricultural production for
10 commercial purposes; or

11 (b) At least eighty percent of the feedstock used by the facility originates
12 in the state of Missouri. For purposes of this section, "feedstock" means a
13 Missouri agricultural product as defined in section 348.400, RSMo.

14 2. The "Missouri Qualified Biodiesel Producer Incentive Fund" is hereby
15 created and subject to appropriations shall be used to provide economic subsidies
16 to Missouri qualified biodiesel producers pursuant to this section. The director
17 of the department of agriculture shall administer the fund pursuant to this
18 section.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 3. A Missouri qualified biodiesel producer shall be eligible for a monthly
20 grant from the fund provided that one hundred percent of the feedstock originates
21 in the United States. However, the director may waive the feedstock
22 requirements on a month-to-month basis if the facility provides verification that
23 adequate feedstock is not available. A Missouri qualified biodiesel producer shall
24 only be eligible for the grant for a total of sixty months unless such producers
25 during the sixty months fail, due to a lack of appropriations, to receive the full
26 amount from the fund for which the producers were eligible, in which case such
27 producers shall continue to be eligible for up to twenty-four additional months or
28 until they have received the maximum amount of funding for which such
29 producers were eligible during the original sixty-month time period. The amount
30 of the grant is determined by calculating the estimated gallons of qualified
31 biodiesel produced during the preceding month from [Missouri] agricultural
32 products, as certified by the department of agriculture, and applying such figure
33 to the per-gallon incentive credit established in this subsection. Each Missouri
34 qualified biodiesel producer shall be eligible for a total grant in any fiscal year
35 equal to thirty cents per gallon for the first fifteen million gallons of qualified
36 biodiesel produced from [Missouri] agricultural products in the fiscal year plus
37 ten cents per gallon for the next fifteen million gallons of qualified biodiesel
38 produced from [Missouri] agricultural products in the fiscal year. All such
39 qualified biodiesel produced by a Missouri qualified biodiesel producer in excess
40 of thirty million gallons shall not be applied to the computation of a grant
41 pursuant to this subsection. The department of agriculture shall pay all grants
42 for a particular month by the fifteenth day after receipt and approval of the
43 application described in subsection 4 of this section.

44 4. In order for a Missouri qualified biodiesel producer to obtain a grant
45 from the fund, an application for such funds shall be received no later than
46 fifteen days following the last day of the month for which the grant is
47 sought. The application shall include:

- 48 (1) The location of the Missouri qualified biodiesel producer;
- 49 (2) The average number of citizens of Missouri employed by the Missouri
50 qualified biodiesel producer in the preceding month, if applicable;
- 51 (3) The number of bushel equivalents of Missouri agricultural commodities
52 **and non-Missouri agricultural commodities** used by the Missouri qualified
53 biodiesel producer in the production of biodiesel in the preceding month;
- 54 (4) The number of gallons of qualified biodiesel the producer manufactures

55 during the month for which the grant is applied;

56 (5) A copy of the qualified biodiesel producer license required pursuant
57 to subsection 5 of this section, name and address of surety company, and amount
58 of bond to be posted pursuant to subsection 5 of this section; and

59 (6) Any other information deemed necessary by the department of
60 agriculture to adequately ensure that such grants shall be made only to Missouri
61 qualified biodiesel producers.

62 5. The director of the department of agriculture, in consultation with the
63 department of revenue, shall promulgate rules and regulations necessary for the
64 administration of the provisions of this section.

65 6. Any rule or portion of a rule, as that term is defined in section 536.010,
66 RSMo, that is created under the authority delegated in this section shall become
67 effective only if it complies with and is subject to all of the provisions of chapter
68 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter
69 536, RSMo, are nonseverable and if any of the powers vested with the general
70 assembly pursuant to chapter 536, RSMo, to review, to delay the effective date
71 or to disapprove and annul a rule are subsequently held unconstitutional, then
72 the grant of rulemaking authority and any rule proposed or adopted after August
73 28, 2002, shall be invalid and void.

74 7. This section shall expire on December 31, 2009. However, Missouri
75 qualified biodiesel producers receiving any grants awarded prior to December 31,
76 2009, shall continue to be eligible for the remainder of the original sixty-month
77 time period under the same terms and conditions of this section unless such
78 producer during such sixty months failed, due to a lack of appropriations, to
79 receive the full amount from the fund for which he or she was eligible. In such
80 case, such producers shall continue to be eligible for up to twenty-four additional
81 months or until they have received the maximum amount of funding for which
82 they were eligible during the original sixty-month time period.

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